OJCS-1268-76

22 June 1976

STATINTL MEMORANDUM FOR:

C/Compensation and Tax Division/Office of Finance

STATINTL FROM :

C Division/Applications/OJCS

SUBJECT : Proposed changes to the SLSA Interim System

REFERENCE : Attached Memorandum *FLSA*

1. With the forthcoming changes to the processing of FLSA data in the Personnel System, the FLSA "interim" mini-system must be modified. This paper outlines the required changes that must be made to process the data correctly.

Present System

2. The present system uses the 501 Personnel Master and the PERCON Master as a data source for Agency employees. FLSA eligibility is determined for each employee on these master files based on their occupational series code and grade and a file created in Social Security Number order. After matching this file against the Payroll Master, to obtain employee numbers for contract personnel, a FLSA eligibility file is created in employee number sequence for the pay period.

3. The FLSA eligibility file is matched against the previous pay periods file to determine changes in eligibility and a report produced showing the personnel that had changed. Data is punched into cards for the personnel eligible and sent to EAM for further processing against the T&A's for the period.

4. The following reports are currently being produced by the FLSA interim system:

Report Number	Report Description
R302010C	Mismatches of Date of Birth or Employee Number on PERCON personnel.
R302030A	FLSA changes - 5x8 card, sorted by employee name, used by PERS/CD/TRB only.
R302030B	Same as R302030B excepted sorted by FAN.
R302100A	Invalid Occupational Series Codes.
R302100B	No employee number or duplicates.
R302200A	FLSA eligibility changes this pay period.
R657700A	FLSA eligibility changes - no match on Payroll Master file.
R657701A	No FLSA eligibility - On Payroll Master, not on FLSA file.

Proposed Changes

5. Processing against the 501 Personnel Master and the PERCON Master will be replaced by using a file provided by the PERSIGN system. This file will carry both Staff and Contract employees as required, with the following data:

Social Security Number
Employee Number
Security File Number
Name
Date of Birth
Affiliation
Office Abbreviation
Schedule
Grade
Step

Salary
Funds Code
Project Number
FLSA Yes/No Indicator
FLSA Effective Date

6. The type of Employee Code, FAN and Occupation Series Code
will be dropped as data items. The Affiliation Code will replace
the type of Employee Code and this should suffice the Office of
Finance's requirement to identify personnel categories. The
PERSIGN system does not utilize the FAN concept per se; the Funds
Code (C or V) and the Project Number is used instead. The FAN is
currently used for sorting and reporting purposes only. The Project
Number will replace the FAN for sorting, the Funds Code (C or V) and
the Project Number will replace the FAN on certain reports.
Occupational Series Code is no longer applicable to FLSA processing
logic. An analysis of the reports regarding the Type of Employee
and FAN data replacement, and dropping of the Occupational Series
Code is:

R302010C	Requires no change, Type Employee, FAN and Occupational Series not used.
R302030A & R302030B	Both reports used by Office of Personnel only, waiting report specifications.
R302100A	Will be deleted as not needed.
R302100B	Affiliation will replace type of Employee code, FAN and Occupational Series not used.
R302200A	Affiliation will replace Type of Employee code, Funds Code and Project Number will replace FAN. Occupational Series will be dropped.
R657700A	Affiliation will replace the Type of Employee code, FAN is not used. Occupational Series will be dropped.

R657701A

Affiliation will replace the Type of Employee code, FAN is retrieved from the Payroll Master and will remain as is. Occupational Series not used.

7. The Office of Personnel representatives have advised us that FLSA eligibility changes are subject to backdating. For any eligibility changes received by FLSA interim system that predate the beginning of the processing pay period, will be processed by the system as being effective during the processing pay period. Report R302200A (Attachment A) will be modified to flag these cases for Office of Finance action.

8. The system will process the data three pay periods behind as it does now. Therefore, there will be no problem with PERSIGN meeting this cutoff. No changes will be made to the FLSA "retro" system, which actually creates the pay adjustment actions for the biweekly Payroll system.

9. Current plans for the implementation of these changes is August 15, 1976.

Conclusion

10. The impact on the Office of Finance is the replacement of the Type of Employee and FAN data items. Also, a procedure is necessary to handle the pay adjustments for those personnel who have backdated eligibility changes.

11. Please review the proposed changes. If I can be of assistance, please call.
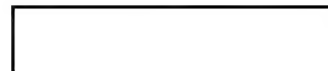
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Attachment: a/s

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76-52)

5 MAR 1976

MEMORANDUM FOR: Director of Personnel

THROUGH   : Director of Finance
                    Director of Joint Computer Support

SUBJECT   : Proposed Revised System for Designating Employees As
                    Exempt or Nonexempt from Overtime Provisions of
                    the Fair Labor Standards Act (FLSA)

1.   Federal Personnel Manual (FPM) Letter 551-7 dated July 1, 1975, cancelled and superseded interim instructions contained in Attachment 2 (occupational code listing) of FPM Letter 551-1 dated May 15, 1974 and provided revised instructions for applying exempt provisions of the Fair Labor Standards Act (FLSA). Briefly, previous FPM guidelines provided for the designations of personnel as exempt or nonexempt from FLSA based on occupational codes and grades. The revised FPM instructions contain criteria for determining the exempt or nonexempt status based on actual duties performed by employees.

2.   By way of background, in May 1974 the Position Management and Compensation Division (PMCD) implemented the requirements of the FLSA to designate employees as exempt or nonexempt from the Act by including in the computer $OCCUP listing (which contains occupational codes and position titles used by the Agency) an FLSA status designator code of "E" or "N" and a GS grade and below cut-off for each position title. Initially, each employee's FLSA status was determined by his personal occupational code and grade level and processed automatically based on the $OCCUP listing. A card (3 copies) was produced by the computer system and distributed to each employee, supervisor, and Official Personnel File to notify employees and supervisors of FLSA status. A machine listing by office by employee was also produced for offices listing employee status. Every two weeks thereafter, a personnel listing of all Agency employees was (and is) processed automatically against the $OCCUP listing and appropriate FLSA designator placed on employee records. This information is then passed on to the Office of Finance System which determines, based on overtime recorded on the time and attendance cards and actual work locations, whether employees are entitled to overtime pay under FLSA. If an employee's status differs from the previous two week period, a new status card is produced by the system for notification to the employee and supervisor.

3.   Because revised FPM instructions no longer permit designations of employees as exempt or nonexempt based solely on occupational codes, an alternative method is required. After considering a number of different methods, we have concluded that the most practical and proper method will be to effect FLSA designation actions in the same manner as we effect any other personnel action - by use of Form 1152, Request for Personnel Action for staff employees and Form 3804, Request for Contract Personnel Action for contract employees.

4. The following FLSA system is proposed:

a. Personnel Officers in conjunction with office supervisors will initiate personnel action forms when an employee's FLSA status changes based on duties performed. Only selected data to change an employee's FLSA status will be required on the forms - Date Prepared, Social Security Number, Name, Type of Action (FLSA Exempt or FLSA Nonexempt), FLSA Effective Date, Organization Designation, Position Number, Signature of Requesting Official and Date.

b. PMCD Officers will be available to components for advice and guidance regarding FLSA criteria.

c. Staff Personnel Division, Office of Personnel will review FLSA designator change actions in accordance with guidelines established.

d. Transactions and Records Branch, Control Division, and Contract Personnel Division, Office of Personnel will input data from personnel actions into the PERSIGN system via CRT on a menu format. These actions will bypass the 501 personnel system and the PERCON system currently in use. Every two weeks the information will be updated in accordance with PERSIGN processing dates.

e. The Office of Finance payroll system will run against the PERSIGN system and pick up the appropriate FLSA designator from each employee record and use it to determine whether he is exempt or nonexempt. If the employee's status differs from the previous two week period, a new card will be produced by the system.

f. The Staffing Complement report and other reports as required will be modified to include FLSA designators on personnel and positions.

g. When PERSIGN Phase II is implemented, the revised Form 1152 which will be used for all Agency (Staff and Contract) employee actions will contain a separate section for FLSA designator and effective date. Transactions and Records Branch and Contract Personnel Division, Office of Personnel will continue the input of the data on FLSA along with input of other data on actions. With implementation of PERSIGN II the need for a separate FLSA designation card will be eliminated as the personnel action will serve as employee and supervisor notification of status change.

h. PMCD will monitor FLSA status changes by reviewing a report by office of changes made on employees and will contact component Personnel Officers to request new position descriptions, determine reasons for status changes, etc.

5. To implement the proposed system, the following actions will be required:

Action Office	Action Required
Office of Personnel	
PMCD	Determine the occupational codes and grade levels for positions and personnel that can be changed automatically, e.g., supergrade, military and clerical.
	Prepare regulatory, orientation, briefing and other materials to inform Personnel Officers, Administrative Officers and supervisors of new FLSA requirements and procedures.
	Process Forms 261, Staffing Complement Change Authorization to add an E or N designator to positions that were not automatically updated.
	Monitor to ensure that personnel actions are processed on a timely basis within established deadlines.
CD/SRB	Prepare work orders to OJCS for changes in PERSIGN/STAFFING system.
CD/TRB	Input data from Forms 1152 via CRT on a menu format directly into the PERSIGN system for staff personnel.
CPD	Input data from Forms 3804 via CRT on a menu format directly into the PERSIGN system for contract personnel.
Area Personnel Officers	Prepare Forms 1152, Request for Personnel Action and Forms 3804, Request for Contract Personnel Action to add an E or N designator and effective date to employee records that were not automatically updated.
Office of Finance	Change procedures and write work order.
OJCS	Freeze the current $OCCUP listing as of a certain date without additional changes in order that the current FLSA system will continue until implementation of the proposed system.

Action Office	Action Required
OJCS (Con't)	Change programs to accept new data in the PERSIGN and STAFFING systems, design input menus and edit checks, modify the Staffing Complement and other reports as required, change position add and position change menus and edit checks, program new reports as required, etc.
	Produce an occupational listing report based on data submitted by O/Personnel, Based on information on listing, automatically add to employee and position records an E or N designation and effective date.
	Produce two reports - one listing personnel that were not updated and one listing positions that were not updated for use by PMCD and Personnel Officers.
	Modify payroll system as required.

6. It is recommended that the methods and procedures outlined above be approved and completely implemented by 30 April 1976.

STATINTL

/s/

[ ] DD/Pers-P&C

STATINTL

CONCUR: [ ]

Director of Finance

1 0 MAR 1976
Date

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[ ]

Director of Joint Computer Support

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1 9 MAR 1976
Date

APPROVAL: [ ]

Director of Personnel

2 3 MAR 1976
Date

* Provided OJCS implementation date is 30 June 1976.

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OP/PMCD/PS[ ]tla   (2 March 1976)